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VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING

DOCKET NO. VGOB 01/06/19-0899

ELECTIONS, UNIT: VC-504482

(hereinafter "Subject Drilling Unit")

REPORT OF BOARD

FINDINGS AND ORDER

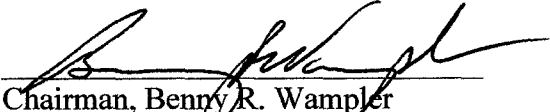
1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirement of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on October 3, 2001, and recorded at Deed Book 368, Page 684 in the Office of the Clerk of Circuit Court, Dickenson County, Virginia on October 3, 2001, (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interest in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.
2. Findings: The Board finds that:
  - (a) The Board Order directed Equitable Production Company, (herein the Designated Operator"), to mail copies of the Board Order to all respondents whose interest, if any, were pooled by said Board Order;
  - (b) The designated operator filed its affidavit of mailing dated October 11, 2001, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interest, if any, were pooled by said Board Order;
  - (c) The Board Order required each Respondent whose interest, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the Designated Operator has filed its affidavit dated August 30, 2002, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.70C (herein "Affidavit of Election"), wherein it has, for each Respondent whose interest, if any, were pooled by said Board Order, stated: (i) whether

ENTERED

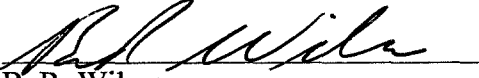
each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interest, estates and claims in Subject Drilling Unit to the Designated Operator;

- (d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B;
  - (e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, First Union National Bank, Corporate Trust, PA 1328, 123 Broad Street, Philadelphia, PA 19109-1199, (888) 396-0853, Attn: Don Ballinghoff, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated December 23, 1992.
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2 above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, First Union National Bank, Corporate Trust, PA 1328, 123 Broad Street, Philadelphia, PA 19109-1199, (888) 396-0853, Attn: Don Ballinghoff, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said affidavits to receive such funds and account to the Board therefore.
  4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that true and correct copy of this Order to each person whose interest or claim is subject to escrow and whose address is known.
  5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
  6. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 17<sup>th</sup> day of September, 2002 by a majority of the Virginia Gas and Oil Board.


  
Chairman, Benny R. Wampler

DONE AND PERFORMED THIS 23<sup>rd</sup> day of September, 2002 by Order of this Board.

  
B. R. Wilson  
Principal Executive to the Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA     )  
COUNTY OF WISE     )

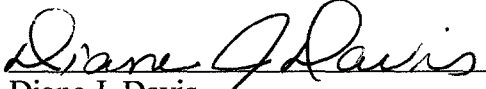
Acknowledged on this 17<sup>th</sup> day of September, 2002, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Notary Public

My commission expires: 7-31-06.

STATE OF VIRGINIA     )  
COUNTY OF WISE     )

Acknowledged on this 23<sup>rd</sup> day of September, 2002, personally before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Principal Executive to the Staff Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

  
Diane J. Davis  
Notary Public

My commission expires: 9/30/05.

Order Recorded Under Code of  
Virginia Section 45.1-361.26

**VIRGINIA:**

***BEFORE THE VIRGINIA GAS AND OIL BOARD***

IN RE: Application of Equitable Production Company, for Forced Pooling of Interests in Unit Number VC-504482 VGOB Docket No. VGOB-01/06/19-0899 in the Kenady Magisterial District of Dickenson County, Virginia.

AFFIDAVIT OF WILHOIT & KAISER, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

1. That the Affiant is an attorney in the law firm of WILHOIT & KAISER, the Agent for the Designated Operator, with offices located at 220 Broad Street, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on October 3, 2001, by the Virginia Gas and Oil Board regarding the captioned coalbed methane Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, the Affiant was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who are added as Respondents at the hearing held in the captioned matter;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on October 3, 2001.
5. That the Designated Operator, by and through their agent, Wilhoit & Kaiser, Attorneys-at-Law, have established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interest have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election periods:

NONE

6. That the interest and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia; due to conflicting claims between the gas owner and the coal owner.

<u>TRACT</u>	<u>ESTATE</u>	<u>LESSOR</u>	<u>INTEREST</u>	
1	Gas	Hershel French and Madeline French, H/W or	0.00980000	RI
	Coal	Pittston Company c/o Pine Mountain Oil & Gas, Inc.	0.00980000	RI
2	Gas	Ralph Stanley & Jimmie Stanley or	0.00837500	RI
	Coal	Pittston Company c/o Pine Mountain Oil & Gas, Inc.	0.00837500	RI
3	Gas	Albert Curtis & Eva Mae Adkins, H/W or	0.05135000	RI
	Coal	Pittston Company c/o Pine Mountain Oil & Gas, Inc.	0.05135000	RI
4	Gas	Luther C. Smith and Peggy Sue Smith, H/W Remainderman	0.02611250	RI
		H. B. Smith, married Life Estate or	[0.00000000%]	RI
	Coal	Pittston Company c/o Pine Mountain Oil & Gas, Inc.	0.02611250	RI
5	Gas	Robert Lowell Yates and Mary Elizabeth Yates Tucker Yates and	0.01163750 [0.00000000%]	RI RI
		Lydia Inis Yates or		
	Coal	Pittston Company c/o Pine Mountain Oil & Gas, Inc.	0.01163750	RI
6	Gas	Jerry D. Childress and	0.00065000	RI

Angela Childress, H/W

		Talmadge Childress	0.00065000	RI
		<b>or</b>		
	Coal	Pittston Company c/o Pine Mountain Oil & Gas, Inc.	0.00130000	RI
8	Gas	Jerry M. Stanley and Alice Stanley, H/W	0.00212500	RI
		<b>or</b>		
	Coal	Pittston Company c/o Pine Mountain Oil & Gas, Inc.	0.00212500	RI
9	Gas	Robert Maston Stanley and Bonnie Stanley, H/W	0.00126250	RI
		<b>or</b>		
	Coal	Pittston Company c/o Pine Mountain Oil & Gas, Inc.	0.00126250	RI
10	Gas	Edgar Hill and Shelia Hill, H/W	0.00300000	RI
		<b>or</b>		
	Coal	Pittston Company c/o Pine Mountain Oil & Gas, Inc.	0.00300000	RI
11	Gas	James Bowen William Bowen Brenda Bowen Unknown	0.00146667 0.00146667 0.00146666	RI RI RI
		<b>or</b>		
	Coal	Pittston Company c/o Pine Mountain Oil & Gas, Inc.	0.00440000	RI
12	Gas	Roger Bowen, single	0.00255000	RI
		<b>or</b>		
	Coal	Pittston Company c/o Pine Mountain Oil & Gas, Inc.	0.00255000	RI
13	Gas	Andrew Jackson Bowen and Carolyn Elaine Bowen, H/W	0.00155000	RI
		<b>or</b>		
	Coal	Pittston Company c/o Pine Mountain Oil & Gas, Inc.	0.00155000	RI

7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims which are not subject to escrow:

NONE

8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraph 10 of the Order.

<u>TRACT</u>	<u>LESSOR</u>	<u>Cash Consideration</u>		
9	Robert Maston Stanley and Bonnie Stanley, H/W	0.5900	x \$5.00 =	\$ 2.95
10	Edgar Hill and Shelia Hill, H/W	1.4100	x \$5.00 =	\$ 7.05
11	James Bowen	0.6900	x \$5.00 =	\$ 3.45
	William Bowen	0.6900	x \$5.00 =	\$ 3.45
	Brenda Bowen Unknown	0.6900	x \$5.00 =	\$ 3.45
12	Roger Bowen, single	1.2000	x \$5.00 =	\$ 6.00
13	Andrew Jackson Bowen and Carolyn Elaine Bowen, H/W	0.7300	x \$5.00 =	\$ 3.65

That pursuant to the provision of 4VAC 25-160.70C annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent are required in this matter pursuant to the terms of §§ 45.1-361.21.D.

Dated at Kingsport, Tennessee, this 20th day of August 2002.

[Signature]  
Affiant

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of Equitable Production Company, a corporation, on behalf of the corporation, this 30th day of August 2002.

My commission expires: August 18, 2003

INSTRUMENT NO. 020001790  
Recorded in the Clerk's Office  
of Dickenson County

[Signature]  
Notary

VIRGINIA: IN THE OFFICE OF THE CLERK OF THE CIRCUIT COURT OF DICKENSON COUNTY, Sept 20, 2002 This deed was this day presented in said office, and upon the certificate of acknowledgment thereto annexed, admitted to record at 11:09 o'clock A.M., after payment of \$        tax imposed by Sec. 58.1-802.

Original returned this date to: Diane Davis

TESTE: JOE TATE, CLERK  
BY: [Signature] D. CLERK